

STATE OF TEXAS §
COUNTIES OF ARANSAS §
SAN PATRICIO AND NUECES §
CITY OF ARANSAS PASS §

On this the 20th day of February, 2014 the Aransas Pass Municipal Development District (APMDD) convened in a Regular Meeting being open to the Public at the meeting place thereof in the Aransas Pass City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

PRESENT:

HOPE COMINGORE	President
KAREN GAYLE	Vice President
VICKIE ABREGO	Secretary
TERRY STANSBERRY	Treasurer
EDELMIRO GARCIA	Director
JAMES COVINGTON	Director
ELIZABETH DORRIS	Director

ABSENT: STEPHEN WALLS, BYRON MCLAUGHLIN

CITY STAFF PRESENT:	Amanda Torres	Administrative Assistant
	Sylvia Carrillo	City Manager
	Donna Cox	Finance Director
	Sarah Lee	Civic Center Director

OTHERS PRESENT:

(There may have been others present who did not sign in.)

ITEM 1.

CALL MEETING TO ORDER.

President Comingore called the meeting to order at 6:29 p.m. and stated that there was a quorum present.

ITEM 2.

CONSIDER AND ACT ON APPROVAL ON JANUARY 23, 2014 MINUTES.

Treasurer Stansberry made a motion to approve the January 23, 2014 minutes. Secretary Abrego seconded the motion and the motion carried unanimously.

ITEM 3.

REVIEW AND DISCUSS CURRENT FINANCIAL STATEMENTS.

Treasurer Stansberry reviewed financial statements with the board. In the period of October 2013 through January 2014, the MDD earned revenue of \$305,317.66 in the Special Purpose Tax line item. In January 2014, the bond payment of \$274,331.62 was expended. In the first four months, over a third of the projected tax revenue was earned.

In the Civic Center financial summary, the Civic Center has earned over \$36,000.00 year-to-date of the \$120,000.00 that was projected. Year-to-date expenditures equaled \$139,330.11. City Manager Carrillo noted that a correction should be made because some of the expenses were last year's accruals for board-approved building maintenance. Additionally, a large chunk of the expenses in December were paid toward insurance. Vice President Gayle commented that she had thought the insurance payment was quarterly or twice a year. Finance Director Cox stated that it was an annual payment but there might be different types of insurance being paid. City Manager Carrillo added that city staff would get correct itemization.

Vice President Gayle mentioned that the board had discussed moving money out of TexPool and asked if it had been done. City Manager Carrillo responded that city staff would have to research and present to the board. She wanted to assess the risk tolerance of investment for the board. Vice President Gayle said she would want something FDIC-protected. City Manager Carrillo said there were a variety of investments the board could look into including short-term CDs. Vice President Gayle said that the highest short-term CD with the lowest amount of risk and as much protection as possible is what would be preferable. Finance Director Cox said that the City was looking for the best rate of return. Treasurer Stansberry asked if investment was practical for the board. Finance Director Cox replied that there was \$546,702.64 in TexPool and they could safely invest half of that somewhere else.

ITEM 4.

CONSIDER AND ACT ON APPROVAL OF INVOICES FOR PAYMENT.

Passed on. No invoices at that time.

ITEM 5.

REVIEW AND DISCUSS CIVIC CENTER INVENTORY PROCESS/PROCEDURE.

President Comingore stated that it was impossible to find serial numbers for the assets in the Civic Center. Civic Center Director Sarah Lee said she transferred the inventory list into an Excel workbook and added notes. City Manager Carrillo stated that the Civic Center had massive storage needs and was in need of climate-control storage. Vice President Gayle commented that the people doing the inventory felt totally overwhelmed. The group found items that were not on the list. She asked what the cost would be to hire someone to organize the facility.

City Manager Carrillo stated that organization was a problem throughout the City and the Civic Center could be tackled first. She explained that it could be assumed that all audits and balance sheet had fictitious numbers because nothing was depreciated. A comprehensive inventory is needed but City Manager Carrillo said she didn't know whether it should be handled by a different department or by a third party. President Comingore asked if the items should be fully depreciated by now. City Manager Carrillo replied that bigger items would be fully depreciated within 10 years and smaller items would depreciate within five years. Vice President Gayle asked how the Civic Center would know when it was time to replace anything. Additionally, she was concerned about the ADA-accessible restroom being used as storage space.

City Manager Carrillo discussed pricing a storage building for the Center and stated that the City needed to be strategic in what they did. Treasurer Stansberry mentioned that there had previously been plans for a storage facility to place on the Civic Center grounds but nothing came of it. City Manager Carrillo said that staff would take the lead on building ideas and inventory. Vice President Gayle said a computerized master list needed to be created with all the Civic Center's assets.

President Comingore also referred to an additional parking lot also planned for the Civic Center. City Manager Carrillo said she hadn't seen a need for overflow parking. Vice President Gayle commented that the parking lot gets full for proms, the San Patricio EDC banquet and the Women's Club Style Show. The board also said that they had closed 7th Street for the intention of building an overflow parking lot. Vice President Gayle said the board at that time had discussed speed bumps and humps and other safety issues for the road. Treasurer Stansberry explained that property not owned by the MDD or Civic Center was the area where the billboard sign was located.

President Comingore commented that cleaning equipment was being stored in a room where it would damage the carpet. Civic Center Director Sarah Lee commented that it was normally not stored there. It was there because it was being used and other spots in the Civic Center were occupied at the time.

ITEM 6.

**REVIEW AND DISCUSS NOTES FROM MDD RECORDS REGARDING
LOANS, BONDS, AND INTEREST ON TXPOOL ACCOUNT.**

Finance Director Cox explained that the board ran losses from 2007-2013 and spent to \$2-3 million more than what they earned. In 2009, the board made big equipment purchases and had a loss of almost \$1 million. Director Covington said that the MDD had nearly \$4 million in cash and was paying on a 2nd note. The board should be getting interest on it. Director Covington explained that they had borrowed at a cheaper rate than their investment. The financing was discussed with the City Council and the bond counsel, Mark McLiney with Southwest Securities. City Manager Carrillo said there was no extra money sitting in an account of \$2-4 million.

President Comingore also mentioned that the board did not have an investment officer after Debra Keller left the board and the board was required to have a quarterly investment report. The board agreed to place on an item on next month's agenda to appoint Finance Director Cox as the board investment officer.

ITEM 7.

UPDATE ON CIVIC CENTER ACTIVITIES.

Civic Center Director Sarah Lee commented that the Civic Center had a busy January and that February had been good as well. In March, the Center tended to be booked and also get busy in April. City Manager Carrillo added that Ms. Lee has started knocking on doors and spending money. There was marketing dollars that could be expended. She has been tasked on soliciting business for weekdays. Suggestions for businesses to contact were the Port of Corpus Christi and Cheniere Energy.

ITEM 8.

CITIZENS COMMENTS.

No comments.

ITEM 9.

ADJOURNMENT OF MEETING.

President Comingore adjourned Meeting at 7:48 PM.

Hope Comingore, President

ATTEST:

Vickie Abrego, Secretary